

MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Maryland Revitalization Incentives



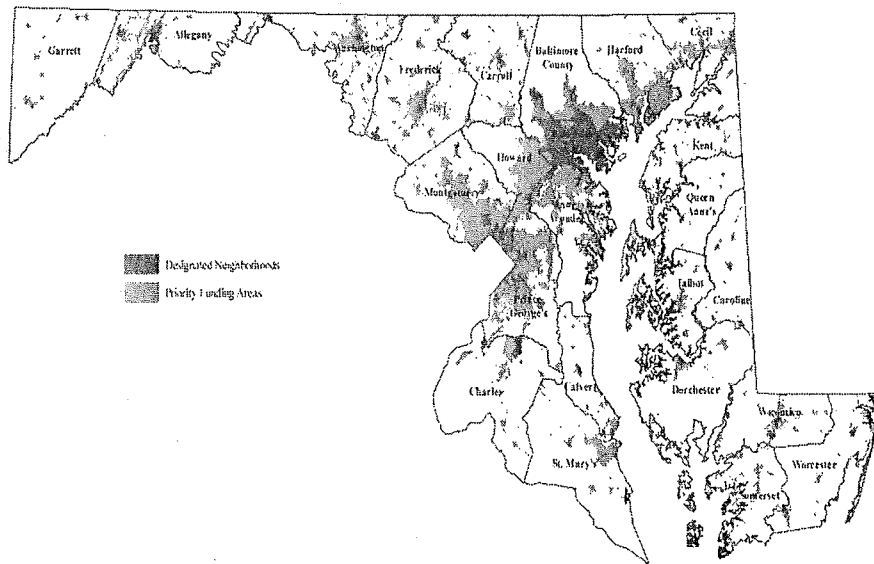
Martin O'Malley
GOVERNOR

Anthony G. Brown
LT. GOVERNOR

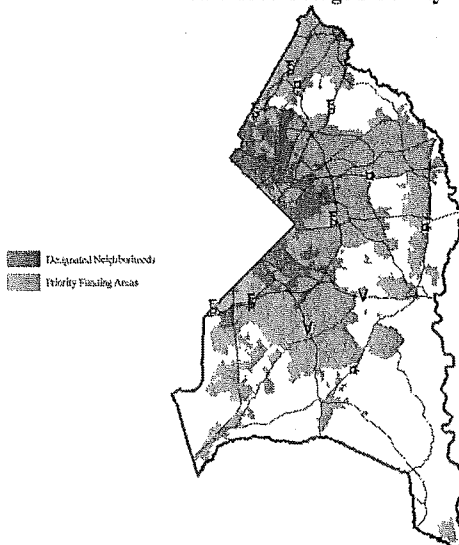
Raymond A. Skinner
SECRETARY

Clarence J. Snuggs
DEPUTY SECRETARY

Priority Funding Areas and Designated Neighborhoods in Maryland



Priority Funding Areas and Designated Neighborhoods in Prince George's County



REVITALIZATION INCENTIVES

DHCD Programs

- Community Legacy
- Local Government Infrastructure Bond Financing
- Main Street Maryland
- Neighborhood BusinessWorks
- Maryland Rehabilitation Code
- Smart Keys for Employees

REVITALIZATION INCENTIVES

State Programs

- Arts and Entertainment Districts (DBED)
- BRAC Zones (DBED)
- Enterprise Zones and Brownfields (DBED)
- Maryland Rehabilitation Tax Credit (MHT)
- State Highway Enhancement Funds (MDOT)
- TOD - related incentives (MDOT)

REVITALIZATION INCENTIVES

Federal Programs

- Community Development Block Grant (HUD)
- Federal Historic Rehab Tax Credits (NPS)
- Transportation Enhancements Program (MDOT)

Overview of Revitalization Incentive Programs

COMMUNITY LEGACY AREAS & RESOURCES

- **Created:** 2001
- **Goal:** Focus local public and private investment in comprehensive, multi-year approaches to community revitalization through flexible support for Community Legacy Area planning and implementation of wide-range of capital projects.
- **Incentives:** Grants and loans in targeted CL Areas.
- **Where:** 98 CL Areas designated since first round, 2002.
- **Impact:** \$58,893,000 investment in 526 projects, leveraging \$346,599,008
- **FY2010 Budget:** \$4.2 million in capital and \$250,000 in operating.

LOCAL GOVERNMENT INFRASTRUCTURE FINANCE

- **Created:** 1988
- **Goal:** Improve community infrastructure by assisting local governments with affordable access to municipal bond market.
- **Incentive:** Utilize DHCD/CDA market reputation and in-house skill to aggregate bond offerings in order that smaller projects and jurisdictions can benefit from competitive interest rates and lower processing costs.
- **Where:** All Counties and incorporated municipalities are eligible.
- **Impact:** LGIF has financed \$243 million in infrastructure investment through 273 projects including: police cars, water towers, town halls, fire stations, street lighting, etc.
- **FY2010 budget:** newly restructured program will allow up to approximately \$50 million in financing in the coming year.

MAIN STREET MARYLAND

- **Created:** 1998
- **Goal:** Strengthen the economic potential of Maryland's traditional main streets and nearby neighborhoods.
- **Incentive:** Technical assistance and organizational support to help improve the economy, appearance and image of the downtown business district. Priority consideration on funding applications for DHCD programs as well as other State agency programs.
- **Where:** 23 designated communities across Maryland
- **Impact:** \$147 million in 576 public improvements; \$153 million in 1,416 private improvements; created over 3,800 jobs and 1,000 new businesses; and committed nearly 237,000 volunteer hours.
- **FY2010 budget:** NA

MARYLAND REHABILITATION CODE (SMART CODES)

- **Created:** 2000
- **Goal:** Incent renovation of older buildings in existing communities by not applying codes really meant for new construction.
- **Incentive:** Integrated 10 codes that commonly govern construction work on existing buildings into one document and treats existing structures differently from new construction.
- **Where:** Applies to all buildings over 1 year old. In July 2007 the Maryland Rehabilitation Code was incorporated into the International Building Code.
- **Impact:** Undetermined. Anecdotally, it is felt that the Code has not been used to its potential.
- **FY2010 Budget:** NA

NEIGHBORHOOD BUSINESSWORKS

- **Created:** 1995
- **Goal:** Revitalize Maryland's traditional neighborhood business districts and create new neighborhood amenities and services through flexible gap financing of small businesses in targeted areas.
- **Incentives:** Low-interest loans on flexible terms (ranging from \$25,000 to \$500,000) for up to 50 percent of a project's total cost.
- **Where:** Designated Neighborhoods of which there are 169 in Maryland, with particular focus on Maryland Main Streets.
- **Impact:** \$71.3 million in loans and grants, generating \$261.7 million in investment in 510 businesses creating/retaining 883 jobs.
- **FY2010 Budget:** \$3.1 million.

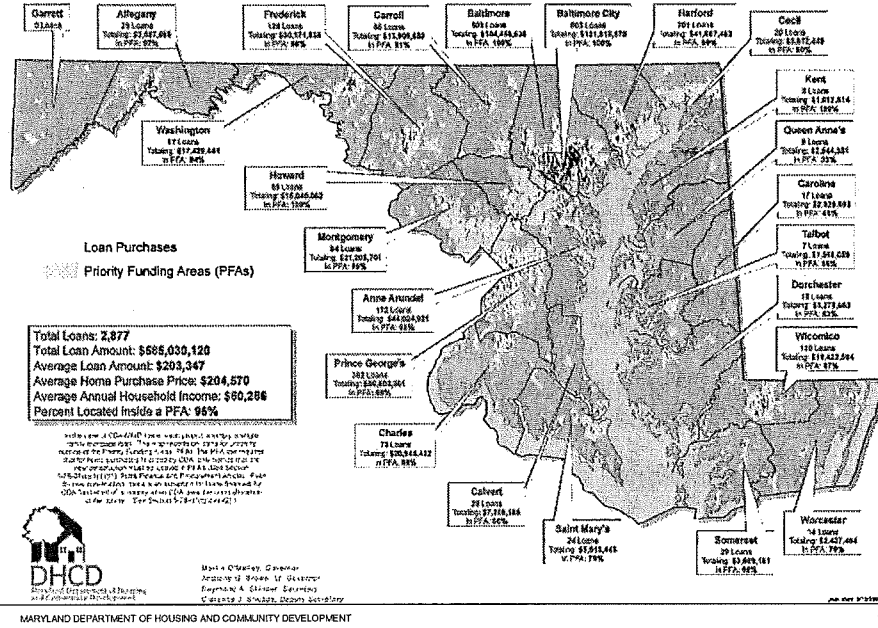
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

- **Created:** 1987
- **Goal:** Improve the quality-of-life for low- and moderate income households and communities through better access to quality community facilities, housing, jobs and infrastructure.
- **Incentives:** Grants and loans that benefit low- and moderate-income persons in Maryland's rural counties and small towns.
- **Impact:** \$196 million in grants leveraging \$927 million public and private funds for 752 of projects in 87 jurisdictions.
- **FY2010 Budget:** \$8 million plus \$2 million in ARRA funds.

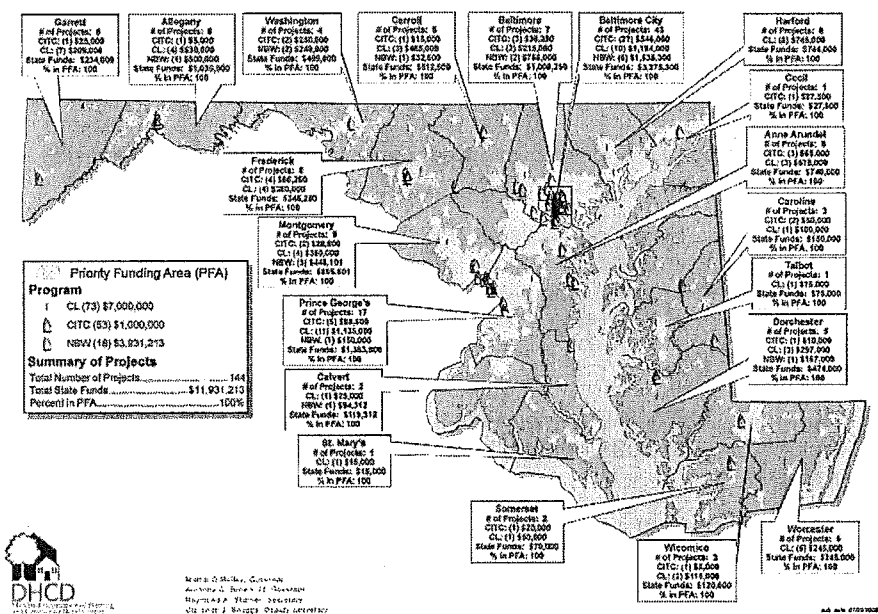
MMP/SMART KEYS FOR EMPLOYEES

- **Created:** 2007
- **Goal:** Encourage first-time homebuyers to choose homes within 10 miles of workplace to minimize commutes.
- **Incentive:** Employer-assisted housing program that provides additional down payment/closing cost assistance in conjunction with Maryland Mortgage Program. Regular House Keys for Employees employer match is doubled (up to \$10,000).
- **Where:** PFAs
- **Impact:** 226 SKFE loans made since inception. 164 SK4E loans in calendar year 2008 out of a total of 1117 DSELP loans totaling \$4.9 million.
- **FY2010 budget:**

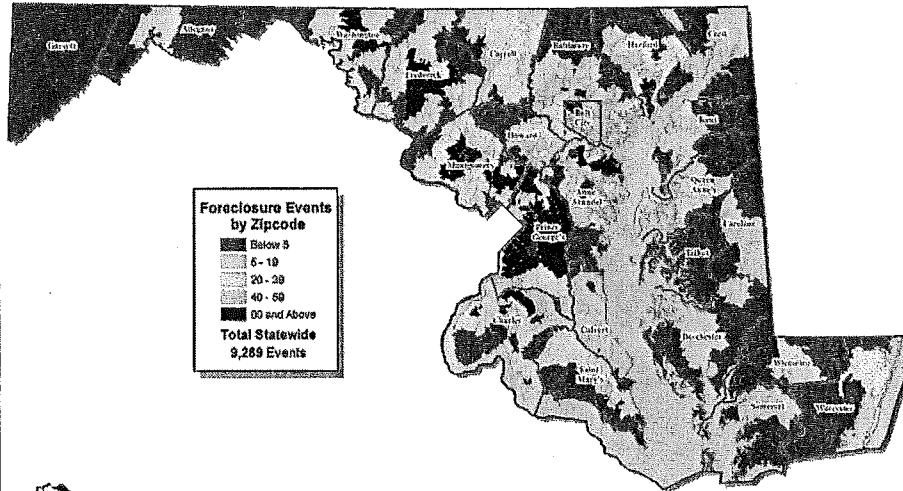
CDA Maryland Mortgage Program (More House 4 Less) Loans purchased by Jurisdiction: July 1, 2007 - June 30, 2008



Neighborhood Revitalization: Projects by County and Program: July 1, 2007 - June 30, 2008



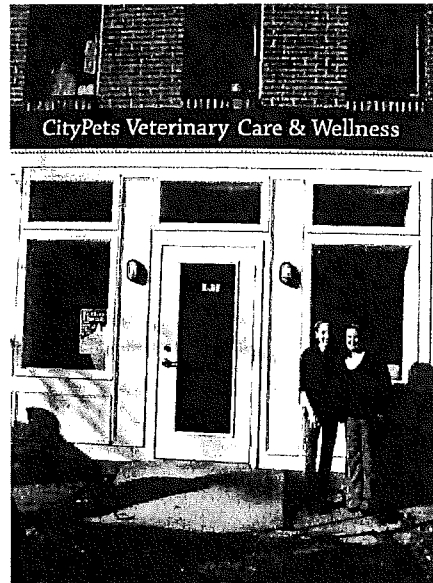
Maryland Foreclosure Events 1st Quarter 2009



Marlene O'Malley, Governor
Anthony G. Brown, Lt. Governor
Bryan R. Fink, Secretary
Christopher J. Bragg, Deputy Secretary

Data Source: RealtyTrac.com

PH: 410/535/0339





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ARTS & ENTERTAINMENT DISTRICTS (DBED)

- **Created:** 2001
- **Goal:** Spur economic revitalization and authentic local experiences through creation and support of artist/culture-centered communities.
- **Incentives:**
 - Local property tax credits that create live-work space for A&E enterprises
 - State income tax benefit on sales of artistic work by qualified resident artists
 - Admissions and Amusement tax exemption
- **Where:** 17 locations: Annapolis, Berlin, Bethesda, Cambridge, Cumberland, Denton, Elkton, Frederick, Frostburg, Rt.1 Gateway (PG), Hagerstown, Havre de Grace, Salisbury, Silver Spring, Snow Hill, Wheaton, and City's Highlandtown and Station North neighborhoods.
- **Impact:** The arts industry in Maryland generated 15,000 full time jobs, 385 million in direct spending and \$43 million in state and local taxes in FY 2007.
- **FY2010 Budget:**

BRAC ZONES (DBED)

- **Created:** 2008
- **Goal:** Help communities benefit from BRAC-related population increases, with focus on mixed-use development near transit.
- **Incentives:**
 - BRAC Zones share a pool of \$5 million for public infrastructure improvements in designated Zones.
 - Projects within BRAC Zones automatically eligible to apply for Community Legacy and Neighborhood BusinessWorks funding.
- **Where:** Five BRAC Zones approved in December 2008: City of Frederick, Baltimore (Westport), Anne Arundel County (Odenton Town Center), Prince George's County (City of Laurel, Andrews Air Force Base; second round is underway.
- **Impact:** Too soon to report.
- **FY2010 budget:** BRAC Zones will share \$5 million authorized in 2008. No new funds have been appropriated.

ENTERPRISE ZONES (DBED)

- **Created:** 1982
- **Goal:** Promote business investment and job creation within Zones
- **Incentives:** Businesses locating Zone may be eligible for income and real property tax credits in return for job creation and investments.
- **Where:** Twenty-eight Enterprise Zones throughout the state.
- **Impact:**
- **FY 2010 Budget:**

BROWNFIELDS (DBED)

- **Created:** 1997
- **Goal:** Promote economic development, by expansion, redevelopment, or reuse real property of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.
- **Incentives:** Property tax credit for sites participating in MDE's Brownfields Voluntary Cleanup program and DBED's Brownfields Revitalization Incentive Program
- **Where:** Statewide
- **Impact:**
- **FY 2010 Budget:**

MARYLAND REHABILITATION TAX CREDIT (MHT)

- **Created:** 1996
- **Goal:** Make the adaptive reuse of historic buildings economically possible and contribute to local area revitalization and economic development.
- **Incentive:** Provides residential and commercial building owners with a 20 percent state tax credit toward the cost of "certified rehabilitation" of properties .
- **Where:** Properties that are individually listed or located in local or National Register historic districts, or located in a designated Maryland Certified Heritage Area Target Investment Zones.
- **Impact:**
 - \$213.9 million in tax credits in commercial projects involving \$923 million in total rehabilitation costs for 407 projects.
 - \$41.6 million in tax credits assisted residential projects involving \$217.1 million in total rehabilitation costs for 2,351 structures.
- **FY2010 budget:** \$7 million

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TRANSIT ORIENTED DEVELOPMENT (TOD) ZONES AND TIF DISTRICTS

- **Created:** 2008 legislation created Zones and 2009 legislation expanded authority for local governments to create special taxing districts (TIFs) for TOD Zones
- **Goal:** Creates added flexibility for MDOT to invest in TOD projects and creates a platform for the creation of TOD zones.
- **Incentive:** Focus and alignment of State and local resources. "TOD Zones" are within ½ mile of planned or existing fixed transit stations and are designated by Secretary of MDOT in consultation with State agency heads and local partners.
- **Where:** Within ½ mile of existing or planned transit stations
- **Impact:** 2009 legislation expands local capacity to help pending projects to move forward.

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HISTORIC REHABILITATION TAX CREDIT (FEDERAL)

- **Created:** 1976
- **Goal:** Encourage economic development through appropriate adaptive reuse of historic structures.
- **Incentive:** Provides 20 percent federal tax credit toward the cost of "certified rehabilitation" that meets Secretary of Interior's Standards for income-producing (commercial) properties only.
- **Where:** Must be "certified historic structure" (individually listed or located in National Register historic district)
- **Impact:** Generated over \$50 billion in historic preservation activity
- **FY2010 budget:** NA (rolling basis, not an annual appropriation)

TRANSPORTATION ENHANCEMENTS PROGRAM (SHA)

- **Created:** 1991 by US Congress
- **Goal:** Improve community quality-of-life through surface transportation-related projects that enhance all modes of travel.
- **Incentive:** Grants for streetscape improvements, trails, signage, scenic acquisition to preserve view sheds, rehabilitation of historic transportation structures, mitigation of highway runoff, wildlife passages, etc.
- **FY 2010 Budget:** \$10 million annually (6 year authorization)